

**CITY OF OAKLAND
COUNCIL AGENDA REPORT**

OFFICE OF THE CITY CLERK
OAKLAND

2005 DEC -13 PM 12: 56

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Community & Economic Development Agency
DATE: December 13, 2005

**RE: A REPORT FORWARDING RECOMMENDATIONS ON LAND USE POLICY
FOR THE OAKLAND ARMY BASE, NOT INCLUDING THE LAND SUBJECT
TO AN AGREEMENT WITH THE FULTON DEVELOPMENT CORPORATION**

SUMMARY

This report is a companion to three other reports for this meeting concerning City retail strategy, land use policies pertaining to industrial zones, and the proposed long term strategy for retaining and expanding auto retail in Oakland.

The City portion of the Oakland Army Base is an approximately 165 acre area at the base of the Bay Bridge. For planning purposes, the City has identified four sub areas for the portion it will eventually control when the land exchange between the Port and City is completed by August 2006. These areas are: West Gateway, Central Gateway, East Gateway and North Gateway (please see attached map.) The Fulton Development Corporation has an Exclusive Negotiating Agreement (ENA) for approximately 70 acres located in the West and Central Gateway areas. Oakland Westwind, LLC has an ENA with the Redevelopment Agency for approximately 50 acres located in the East and Central Gateway Areas. The North Gateway area is being considered for car dealerships, and the West Gateway is under lease with Caltrans until 2013. The focus of this report will be on the lands now being considered for redevelopment by the Oakland Westwind, LLC, and with a longer term view, the West Gateway. To the extent necessary, the North Gateway will be brought into the discussion as well.

The City has variety of options to consider for this 50 - 70 acre site (70 acres are available if the North Gateway is included). Four alternatives are presented. These are based, in part, on the information and analysis contained in the June 2005 report entitled "Pre-development Planning for the Oakland Army Base Gateway Development Area" by Design, Community and Environment in partnership with Bay Area Economics and the design firm of SMWM. This report focused on the entire City portion of the Army Base. Excerpts from this report are included as an attachment to provide background on alternatives already identified. In addition, a proposal has been submitted for a trucking compound by the West Oakland Economic Development Working Group (WOEDWG). The four alternatives are summarized as follows:

- Flex – technology focus: This option provides lands that could support economic development initiatives and other efforts as technology and the economy evolve during the next 15 – 25 years. This option represents the longer term view of having City controlled land available for such uses. An interim set of activities could be incorporated as a placeholder activity, such as warehouses or trucking.

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- Port – industrial – research and development focus: This option would provide both maritime related activities and available land for industrial uses such as high technology, bio-manufacturing, etc. The emphasis here is job creation.
- Trucking – industrial activity focus: This option would focus on making land and facilities available for trucking. The emphasis of this alternative is that such activities would be able to move out of other parts of West Oakland in order to make space for more appropriate neighborhood redevelopment and revitalization activities.
- Retail – commercial focus: This option would provide for signature retail activities to take advantage of the visibility and central location of the site.

FISCAL IMPACTS

This report in and of itself will have not direct fiscal impact on the City. The longer range policy and development plans for the Army Base will likely have a positive fiscal impact on the City through increased property taxes, sales taxes and utility user taxes. There are also costs associated with redevelopment pertaining to infrastructure improvements required to serve the new development.

BACKGROUND

The Oakland Army Base presents a critical opportunity to redevelop well located, available lands and create a new gateway for the City. Three key characteristics define the site: large size, central location and unique visibility at the base of the Bay Bridge. Under a Memorandum of Understanding (MOU) with the Port of Oakland, the City will gain control of these lands by August 2006. During early 2005, the Oakland Base Reuse Authority undertook a land planning effort to provide a detailed analysis and options for the Redevelopment Agency and City Council. The team of consultants included a planning firm, an economics, market and fiscal firm and a design firm. An interim report has been published entitled, “Pre-development Planning for the Oakland Army Base Gateway Development Area: Interim Final Report.”

Current Exclusive Negotiating Agreements. Presently, there are two Exclusive Negotiating Agreements (ENA) for portions of the City portion of the Army Base lands. In June 2005, the Agency Board authorized staff to enter into a 12-month ENA with Fulton Project Development Group, to explore the feasibility of building a 70-acre mixed-use film production center. The development would be located on the West and Central Gateway areas. In addition to television and film production activities, the project may include related office, and entertainment uses. Agency staff and Fulton have reached final agreement on the ENA terms, and the ENA is in the process of being executed. Staff and Fulton have been working together to address the initial tasks called for in the ENA terms. Fulton has begun the process of delineating the specific boundaries of the area they will need within the Central Gateway Area.

On June 21, 2005, the Agency Board approved an ENA with Oakland West Wind, LLC for the development of approximately 50 acres within the East and Central Gateway areas. Oakland West Wind is a development team composed of Opus West Corporation, Legacy Partners Commercial, and several local development partners (e.g., United Indian Nations, Levine Fricke EcoParks, Michael Ziegler, and Curtis Smothers).

The six-month ENA was executed on October 12, 2005. Staff has been meeting with Oakland West Wind to discuss several issues, including the specific proposed uses for the development. As currently envisioned, the 50-acre development would include a mixture of light industrial, retail, and auto retail uses.

In addition, Agency staff has been approached by several auto dealers who are interested in relocating to the North Gateway Area. Currently, Oakland is at risk of losing many of its existing auto dealers within 4-6 years, due to rising land values, the encroachment of housing development, pressure from the auto manufacturers to modernize facilities, and inadequate amounts of land and outdated physical facilities along Broadway Auto Row. As a related part of the overall discussion of various land use policies at this meeting, the CED Committee will discuss policy issues associated with the location of auto retail in the Army Base. City staff has been formulating the site planning and other aspects of locating these dealerships along the North Gateway area and possibly a portion of the upper portions of the Central and East Gateway areas.

Follow-up to Pre-development Planning Report. Under the June 2005 Predevelopment Planning Report contract, staff anticipates that a final planning phase of work will be undertaken with the preferred set of land use alternatives once the Council discussion was completed. This work will contain a final evaluation, based on identified criteria, of the feasibility, market strength and land use/urban design issues and other factors. One of the attached excerpts from this report is a matrix example of this type of evaluation.

PROPOSED LAND USE OPTIONS

The following table presents a comparison of the four identified options for review and consideration. Obviously these are not the only alternatives and some aspects of one may be combined with aspects of another. In addition to a description, staff has included about pros and cons. Staff recommends that once the CED Committee and City Council have completed a preliminary review of these and other options, a more detailed assessment, using agreed upon criteria, be completed and reviewed as a second step in this process.

Alternative	Key Factors	Pros	Cons
Flex-Tech	Provides a large, available land area under the City's control	Longer term option; interim land uses could provide return on investment while other planning is taking place. Sustainability and co-located uses could be developed to take advantage of the Port's activity (recycling, re-use, energy generation)	Minimum short term returns; up front infrastructure costs would be more difficult to cover due to limited capitalization.
Port-Industrial R and D	Provides for coordination with Port activities, such as a logistics center and large spaces for research and development, biotech activities	Provides a good transition and balancing of Port-City activities; potential long term employment generation in higher paid sectors.	Port timeline for investment may not be aligned with infrastructure investment decisions; not as many short term returns; need to do more analysis of competition (such as Mission Bay); does not take advantage of visibility for commercial uses
Trucking – industrial activity	Provides for heavier industrial use and accommodates trucking related uses	A centralized location for trucking activities within an industrial area would alleviate land use conflicts in other areas, particularly West Oakland; would provide trucking related services in one single area	Use of land is not as financially beneficial as other options; design of parks and open space would need to be carefully reviewed in order to minimize conflicts; requires a coordinated effort for enforcement of trucking routes and moving trucking activities out of West Oakland.
Retail - Commercial	Provides major destination for big box and other retail	Short-term sales tax returns; land area sufficient to locate a number of major retailers with good adjacency to Emeryville retail centers; may provide a complimentary set of commercial uses to the Fulton development; takes advantage of the high degree of visibility of the site.	Traffic improvements would need to accommodate heavy peak retail traffic and separate truck traffic; employment generation is basically lower wage scale.

SUSTAINABLE OPPORTUNITIES

This is a preliminary land use policy report. There are sustainability opportunities in each policy alternative, and a more detailed discussion and analysis can be provided upon further direction of the Council's preferred options.

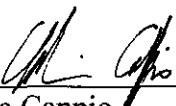
DISABILITY AND SENIOR CITIZEN ACCESS ISSUES

Any redevelopment program must comply with the City's and other requirements concerning disability access. No issues regarding senior citizens have been specifically identified.

ACTION REQUESTED OF THE CITY COUNCIL

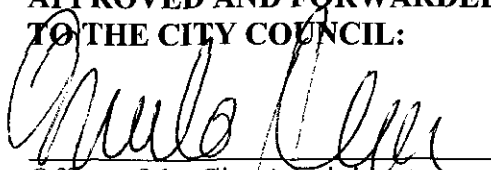
Staff requests Council direction regarding preferred option(s), and follow up requirements as appropriate.

Respectfully submitted,



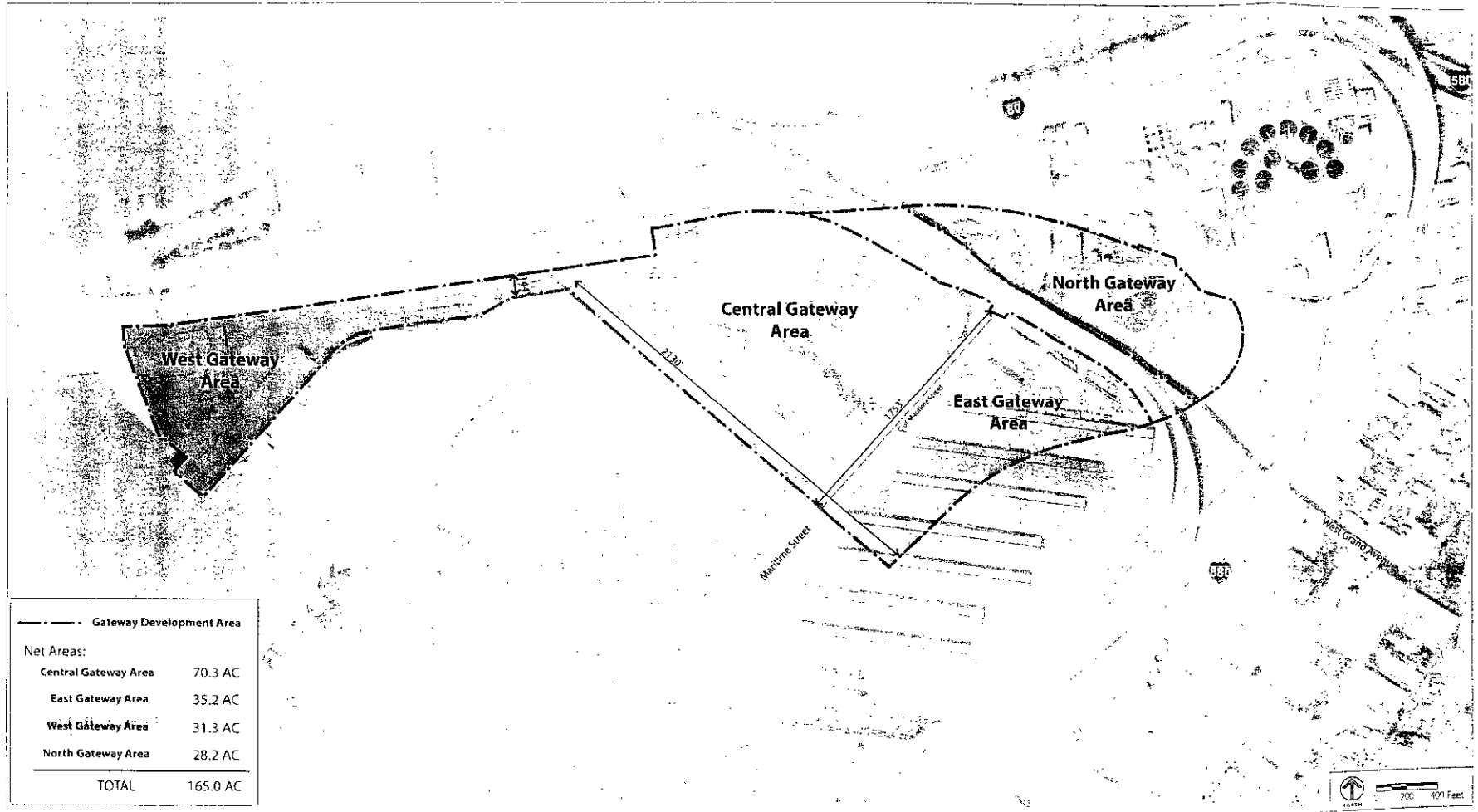
Claudia Cappio
Development Director,
Community & Economic Development Agency

**APPROVED AND FORWARDED
TO THE CITY COUNCIL:**


Office of the City Administrator

ATTACHMENTS:

1. Excerpts from the June, 2005 Final Interim Report on Pre-Planning for the Oakland Army Base by DCE/BAE and SMWM
2. Draft Proposal by West Oakland Development Working Group (WOEDWG) on Trucking Center at the Oakland Army Base



Pre-Development Planning for the Oakland Army Base Gateway Development Area - Interim Final Report
 Oakland Base Reuse Authority

FIGURE 3.1
 GATEWAY DEVELOPMENT AREA

ased on the stakeholder interviews, the *Oakland Army Base Market Scan*, the Expert Panel and the *Opportunities and Constraints Report*, the consultant team has developed four preliminary site alternatives for the Gateway Development Area. Where proven feasible from a market perspective, land uses from the *Final Reuse Plan* have been incorporated into the alternatives. These alternatives are intended to present the OBRA Governing Body and the Oakland Redevelopment Agency with distinct, yet viable alternative visions for the site.

To varying degrees, the alternatives incorporate the four site themes presented in Chapter 1. These are:

- ♦ Create a receiver site for uses from other parts of the City.
- ♦ Support the Port of Oakland's current and future operations.
- ♦ Make the site a destination for City and Bay Area residents.
- ♦ Accommodate the 21st century economy by providing space for forward-looking uses.

Each alternative described includes a text description, a land use diagram, an urban design diagram and a building massing plan. The analysis of the performance of the alternatives based on a number of economic, social equity and environmental criteria will be presented in the final version of this interim report.

The four alternatives are:

1. **Eco-Oakland**, which focuses on providing flexible land uses that support the economic development initiatives of the City of Oakland.
2. **Destination Oakland**, which provides a signature retail destination for Oakland and Bay Area residents that capitalizes on the almost 300,000 cars per day that pass by the site.
3. **Gateway Oakland**, which focuses on jobs-producing uses including research and development, bio-manufacturing and higher-wage retail.
4. **Movie Production Park**, which also generally addresses the proposed film production park currently under consideration by the Agency as of the writing of the report.

	ECONOMICS								EQUITY					ENVIRONMENT						
	Total Employment/Acre	New Jobs/Acre	Sales Tax Revenue/Acre	Property Tax Revenue/Acre	Short-Term Market Support (< 2010)	Long-Term Market Support (> 2010)	Residual Land Value	Likely Developer Interest in RFP	No Subsidy Needed	Living Wage Jobs/Acre	Inclusion in The New Economy	Known Community Support	Contributes to Placemaking	Supports Citywide EC Dev Goals	Land Use Compatibility - W. Oak	Land Use Compatibility - Port	Minimizes Transportation Impacts	Minimizes Environmental Impacts	Enhances Gateway	Administrative/Regulatory Steps
Light Industrial/Flex-Office																				
Office																				
Light Industrial																				
Research & Development																				
Industrial / Flex Condominiums																				
Industrial/Warehouse & Trucking Services																				
Warehousing and Logistics																				
Wholesale Food Distribution																				
Truck Services																				
Truck Plaza																				
Eco-Industrial Park																				
Recycling Businesses																				
Media Center: Film/Computer Effects Production Facilities																				
Film or Computer Effects Production Facility																				
Production Facility & Entertainment Amusement Park																				
Automobile Retailers																				
NUMMI Hybrid Auto Production																				
Auto Sales Center																				
Alternative Automobile Mall - Hybrid Car Emphasis																				
Retail																				
Big Box Retail																				
Lifestyle Retail																				
Outlet Mall																				
Hotel / Lodging																				
Luxury Hotel																				
Mid-Price Hotel																				
Budget Motel																				
Extended Stay Hotel																				
Fractional or Club Resort																				
Housing																				
High-Rise Housing																				
Mid-Rise Housing																				

KEY	
High	●
Medium	○
Low	○

West Oakland Economic Development Working Group

Draft outline proposal

11/10/2005

Background and Rationale

West Oakland is an area that is poised for significant revitalization, and has the potential to develop into a thriving mixed use community attractive to a wide variety of commercial and light industrial uses that would benefit the surrounding neighborhoods and the city as a whole. However, the area is also plagued by some of the worst air pollution in the Bay Area, leading to high rates of asthma attacks and other respiratory problems. This elevated rate is due to the presence of the port and freeway in close proximity, especially diesel emissions from trucks, ships, and dockside equipment. The various diesel truck service businesses located near residences within the West Oakland neighborhood compounds these air pollution impacts. In many cases, the presence of these businesses also limits the reuse of surrounding commercial areas due to pollution and blighted appearances.

Meanwhile, the Port of Oakland is expected to double its volume by 2020. Truck related businesses that service the Port are important to its viability, and because of this, during the Army Base transfer process, both the port and the City agreed to set aside a minimum of 15 acres for maritime serving truck services on Army Base land. Land needs assessments have found that over 100 acres would be needed to fully accommodate the variety of port ancillary services. Currently, there are many plans being developed for the Base that will benefit Oakland and the region, but that do not specifically address the surrounding communities or the City's and the Port's prior commitment of land for trucking. Therefore, the West Oakland Economic Development Working Group (WOEDWG) has begun to develop a plan compatible with other developing projects, which will address the needs of the Port and the surrounding community as well as the City's prior truck commitment.

Development Plan

WOEDWG proposes to partner with the City or with any of the development teams who are currently working on Army Base proposals to designate a minimum of 30 acres for a trucking compound at the base that could house truck businesses and services currently located in West Oakland (or truck related businesses or services currently accommodated on the Army Base under leases due to expire by June, 2006).

Development goals

- Efficient use of space would include a preliminary development of a minimum of 30 acres of contiguous land; as a first phase to accommodating over 75 acres of the land needed for these services. As more land potentially becomes available, WOEDWG is developing various alternative plans for accommodating other beneficial uses on the Base.
- Priority would be given to businesses that are currently located in West Oakland (or are interim tenants at the Army Base that have moved from West Oakland) that provide core

Example Space Needs for the Basic Truck and Truck Services Compound

Yard Space

- A total of 30 acres of even grade property will be required
- Approximately 5 acres for office space, parking & 6 service providers
(Scales, Fuel, Tire, Repair, Transload & Mini-Mart)
- Approximately 25 acres for container and tractor holding and parking
- This will generate 750 container spaces & 210 tractor spaces
- This will service the needs of 15-20 trucking companies, with an emphasis on accommodating the smaller firms that can't afford independent facilities

Office Space

- A total of 20,000 square feet will be required
- This will accommodate training facilities plus 6 service providers (*Insurance, DMV, Customs Broker, Medical Services & IT Services*)
- Approximately 15,000 square feet will accommodate the office needs 12-15 trucking companies together with their operations staff

Other space needs (as more land becomes available)

- Container depot – 50 acres
- Transload facility – 12-15 acres
- Truck dealership – 5 acres